

**Public Safety Personnel Retirement System
Local Pension Board Meeting Agenda
Superstition Fire & Medical District**

PURSUANT TO A.R.S. §38.431.02

Notice is hereby given to the general public the Superstition Fire & Medical District (SFMD) Public Safety Personnel Retirement System Local Pension Board will hold a meeting on Tuesday, May 16, 2017. The meeting will be held at the Superstition Fire & Medical District's Administrative Office, located at 565 N. Idaho Road, Apache Junction, Arizona. The meeting will be open to the general public and will begin at 4:00 pm local time.

AGENDA:

- A. Call to Order.
- B. Pledge of Allegiance.
- C. Roll Call.

The following items are to be discussed at the board meeting; action or decisions may or may not be taken on any or all items. Agenda items may or may not be considered in the order listed:

1. Review and possible approval of the February 14, 2017 Local Pension Board meeting minutes.
2. Call to Public.
A public body may make an open call to the public during a public meeting, subject to reasonable time, place, and manner restrictions, to allow individuals to address the public body on any issue within the jurisdiction of the public body. At the conclusion of an open call to the public, individual members of the public body may respond to criticism made by those who have addressed the public body, may ask staff to review a matter, or may ask that a matter be put on a future agenda. However, members of the public body shall not discuss or take legal action on matters raised during an open call to the public unless the matters are properly noticed for discussion and legal action.
Scheduled: none at time of printing
3. Discussion and possible approval of Steve Gereg's application to participate in the DROP program.
4. Discussion regarding upcoming changes to the PSPRS program(s), if necessary.
5. Discussion and possible action regarding setting the date / time of the next SFMD Public Safety Personnel Retirement System Local Board meeting.
6. Announcements and Information.
7. Adjourn.

Notice: The Local Pension Board may go into Executive Session for the purpose of obtaining legal advice from the Fire District's attorney(s) on any of the above agenda items pursuant to A.R.S. 38-431.03(A)(3). One or more members of the Local Pension Board may attend the meeting telephonically.

Local Pension Board meeting agenda dated and posted:

On: May 9, 2017
At: 1730 hours
By: Sherry Mueller

Local Pension Board Meeting – May 16, 2017

Agenda Item: 1

Agenda Item Title: Review and possible approval of the February 14, 2017 Local Pension Board meeting minutes.

Background / Discussion:

The Local Pension Board meeting minutes are provided for Local Board review, comment and approval. After approval, minutes are signed and kept as official public record and a copy is sent to Public Safety Personnel Retirement System.

Recommended Motion: *(please read motion as written)*

Motion to approve the February 14, 2017 Local Pension Board meeting minutes.

Enclosure: Local Pension Board Meeting Minutes from February 14, 2017.



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Public Safety Personnel Retirement System
Local Pension Board Meeting Minutes

February 14, 2017

PURSUANT TO A.R.S. 38.431.02, NOTICE IS HEREBY GIVEN TO THE GENERAL PUBLIC THAT THE SUPERSTITION FIRE & MEDICAL DISTRICT ("SFMD") PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM ("PSPRS"), THE LOCAL PENSION BOARD HELD A MEETING ON TUESDAY, DECEMBER 6, 2016. THE MEETING WAS HELD AT THE SUPERSTITION FIRE & MEDICAL DISTRICT'S ADMINISTRATION OFFICE, AT 565 N. IDAHO ROAD, APACHE JUNCTION, ARIZONA. THE MEETING IS OPEN TO THE GENERAL PUBLIC AND WILL BEGIN AT 4:00 P.M.

- A. Chairperson Gene Gehrt called the meeting to order at 4:00 p.m.
- B. The Pledge of allegiance was led by Board Chairman Gehrt.
- C. Roll Call showed Local Board Chairperson Gene Gehrt and Local Board Members Jim Geil and Ruben Briones were present. Board Members Carlos Rivera and Ron Olm were absent. Also present were Assistant Chief Brett Broman, Finance Director Roger Wood, Accounting Specialist Jennifer Burke, Captain Paul Perkins, Battalion Chief Mike Paul and HR Generalist Sherry Mueller.
 1. Local Pension Board Member Ruben Briones was sworn in for a new 4-year term by Chief Brett Broman. The Loyalty Oath was notarized by Jenn Burke.
 2. *Review and possible approval of the December 6, 2016 Local Pension Board meeting minutes.*

Motion by Local Board Member Briones to approve the December 6, 2016 Local Pension Board minutes. Second by Local Board Member Geil. Vote 3 ayes, 0 nays. Motion passed. Chairperson Gehrt signed the December 16, 2016 Local Pension Board meeting minutes.

3. Call to Public.

None.
4. *Discussion and possible approval of Paul Perkin's application to participate in the DROP program.*

Captain Paul Perkins has applied to enter the DROP program on 2/28/2017. He has completed all the necessary paperwork.

Paul must terminate employment with SFMD no later than 2/28/2022 in order to comply with DROP guidelines. Paul started with SFMD on 2/12/1990 and enters the DROP with 27.047 years of service.

Motion by Local Board Member Geil to approve Paul Perkin’s application to participate in the DROP program. Seconded by Local Board Member Briones. Vote 3 ayes, 0 nays. Motion passed.

5. *Discussion and possible approval of Drew Colby’s application to participate in the DROP program.*

Engineer Drew Colby has applied to enter the DROP program on 2/28/2017. He has completed all necessary paperwork.

Drew must terminate employment with SFMD no later than 2/28/2022 in order to comply with DROP guidelines. He started with SFMD on 8/19/1995, and enters the DROP with 20.608 years of service.

Motion by Local Board Member Briones to approve Drew Colby’s application to participate in the DROP program, and to acknowledge Drew must terminate employment with SFMD on or before 2/28/2022. Seconded by Local Board Member Geil. Vote 3 ayes, 0 nays. Motion passed.

6. *Discussion regarding upcoming changes to the PSPRS program(s), if necessary.*

Roger Wood discussed that PSPRS is going through a series of changes as a result of the Hall Case providing a brief overview of a new consequence of SB1428 that becomes effective July 1, 2017. At that time, all firefighters hired after 12/31/2011 are considered “Tier 2B” firefighters and will be eligible for participation in a new Defined Contribution (“DC”) retirement plan that is to serve as a pseudo DROP program for these employees who, by the nature of their beginning service date, are not currently eligible to participate in the DROP program.

The program is set up to be a “negative response” plan, meaning the firefighters are automatically enrolled unless they opt out. Their decision is final for the length of their career; therefore so they cannot opt out and join later, nor can they opt in and then later drop out.

The cost to the District is 4% of the employees’ gross wages, and 3.0% for the employee once the Districts contributions end. The schedule of participation is below:

<u>Calendar Year Hired</u>	<u>ER 4% Contribution Rate</u>	<u>3% Employee Contribution Rate</u>
2012	7/1/17 through 6/30/2024	7/1/2024 and thereafter
2013	7/1/17 through 6/30/2023	7/1/2023 and thereafter
2014	7/1/17 through 6/30/2022	7/1/2022 and thereafter
2015	7/1/17 through 6/20/2021	7/1/2021 and thereafter
2016	7/1/17 through 6/30/2020	7/1/2020 and thereafter
1/1/17 & 6/30/17	7/1/17 through 6/30/2018	7/1/2018 and thereafter

7. *Additional tentative dates in 2017 have been established for future Local Pension Board meetings:*

- May 16, 2017
- August 15, 2017
- November 14, 2017

Motion by Local Board Member Geil to approve May 16, 2017 as the date for the next regularly scheduled Local Pension Board meeting. Seconded by Board Member Briones. Vote 3 ayes, 0 nays. Motion passed.

8. *Announcements and Information.*

None.

9. *Adjourn.*

Motion by Board Member Briones to adjourn the meeting at 4:13 p.m. Seconded by Board Member Geil. Vote 3 ayes, 0 nays. Motion passed.

Board Approval:

Preliminary minutes mailed to PSPRS on February 15, 2017.

Gene Gehrt, Board Chairperson

Roger Wood

Local Pension Board Meeting – May 16, 2017

Agenda Item: 2

Agenda Item Title: Call to Public.

A public body may make an open call to the public during a public meeting, subject to reasonable time, place, and manner restrictions, to allow individuals to address the public body on any issue within the jurisdiction of the public body. At the conclusion of an open call to the public, individual members of the public body may respond to criticism made by those who have addressed the public body, may ask staff to review a matter, or may ask that a matter be put on a future agenda. However, members of the public body shall not discuss or take legal action on matters raised during an open call to the public unless the matters are properly noticed for discussion and legal action.

Background / Discussion:

Call to Public is provided so citizens may address the public body (Local Pension Board) with matters concerning the retirement system. Arizona public meeting law provides that the public body may discuss, consider, or decide only matters listed on the agenda and other matters related thereto. Since the public body will generally not know what specific matters may be raised at call to public, they will be unable to act until the matter is placed on a subsequent meeting agenda (at the Local Board's discretion). The Local Board may also direct staff to follow up on an issue.

Recommended Motion: Not applicable

Enclosure: None

Local Pension Board Meeting – May 16, 2017

Agenda Item: 3

Agenda Item Title: Discussion and possible approval of Steve Gereg’s application to participate in the DROP program.

Background / Discussion:

Firefighter Steve Gereg has applied to enter the DROP program on 5/16/2017. He has completed all the necessary paperwork.

Steve must terminate employment with SFMD no later than 5/31/2022 in order to comply with DROP guidelines. Steve started with SFMD on 7/22/1996 and enters the DROP with 20.819 years of service.

Recommended Motion: *(please read motion as written)*

“Motion to approve Steve Gereg’s application to participate in the DROP program and acknowledge that Steve must terminate employment with Superstition Fire & Medical District on or before 5/31/2022.”

Enclosure: Completed forms will be provided at the Local Pension Board meeting.

Agenda Item: 4

Agenda Item Title: Discussion regarding upcoming changes to the PSPRS program(s), if necessary.

Background / Discussion:

PSPRS is going through a series of changes as a result of the Hall Case. Any updates available at the time of the Board meeting will be discussed with the Board Members.

In January 2017, Staff became aware of a new consequence of SB1428 that becomes effective July 1, 2017. At that time, all firefighters hired after December 31, 2011 are considered “Tier 2B” firefighters and will be eligible for participation in a new Defined Contribution (“DC”) retirement plan that is to serve as a pseudo DROP program for these employees who, by the nature of their beginning service date, are not currently eligible to participate in the DROP program.

The program is set up to be a “negative response” plan, meaning the firefighters are automatically enrolled unless they opt out. Their decision is final for the length of their career; therefore so they cannot opt out and join later, nor can they opt in and then later drop out.

Local Pension Board Meeting – May 16, 2017

The cost to the District is 4.0% of the employees' gross wages, and 3.0% for the employees once the District's contributions end. The schedule of participation is below:

<u>Calendar Year Hired</u>	<u>EE 4.0% Contribution Rate</u>	<u>3.0% Employee Contribution Rate</u>
2012	7/1/2017 through 6/30/2024	7/1/2024 and thereafter
2013	7/1/2017 through 6/30/2023	7/1/2023 and thereafter
2014	7/1/2017 through 6/30/2022	7/1/2022 and thereafter
2015	7/1/2017 through 6/30/2021	7/1/2021 and thereafter
2016	7/1/2017 through 6/30/2020	7/1/2020 and thereafter
1/1/17 & 6/30/17	7/1/2017 through 6/30/2018	7/1/2018 and thereafter

Recommended Motion: Informational only; no motion required

Enclosure: None

Agenda Item: 5

Agenda Item Title: Discussion and possible action regarding setting the date / time of the next SFMD Public Safety Personnel Retirement System Local Board Meeting.

Background / Discussion:

In accordance with ARS §38-847 (3), a local pension board meeting will be held at least twice annually, otherwise scheduled as needed. In the absence of a quorum (consisting of three member, at least one of whom shall be one of the members elected by secret ballot) for a scheduled meeting, the Chairperson or any two members of the Board may reschedule the meeting as a special meeting. Any meeting may be continued to a later date.

At the past meeting, we proposed the following dates:

- August 15, 2017
- November 14, 2017

Additional meetings may need to be held to address the following, with the actual dates to be determined at a future date:

- A. Any action items that come about as the result of the Hall vs. PSPRS court ruling.
- B. To facilitate DROP applications not currently known.

Local Pension Board Meeting – May 16, 2017

All meetings would be held at 4:00 p.m. in the SFMD Administration Board Room.

If it is determined that there is no need for one of these regularly scheduled meetings, the Local Board Chairperson will have the authority to reschedule or cancel any meeting.

Recommended Motion: *Motion to approve August 15, 2017 as the date of the next scheduled Local Pension Board meeting.*

Enclosures: None.

Agenda Item: 6

Agenda Item Title: Announcements and Information.

Local Board may direct staff to act on any of these items or request that they be added to the next meeting agenda.

None.

Agenda Item: 7

Agenda Item Title: Adjourn.

Recommended Motion: *Motion to adjourn the Local Pension Board meeting.*

Enclosure: None.